

(b) Government had examined earlier a proposal for reduction in excise duty on pharmaceutical products from 16% to 8%, but it was decided not to make any changes for the present.

**Making educational loan lending process
hassle free**

1392. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that to make educational loan lending process hassle free, the Ministry has endorsed Public Sector Banks demand for setting up of a guarantee fund on the lines of a similar scheme existing for the small enterprises sector;

(b) whether it is also a fact that this fund will enhance the comfort level of the banks to sanction loans for higher and technical educational courses without insisting on the collateral or a third party guarantee; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Public Sector Banks (PSB) have not made a demand for setting up of a guarantee fund to make educational loan lending process hassle free. As per extant guidelines of IBA, loans up to Rs. 4 lakh for higher and technical educational courses, are to be sanctioned by PSBs without insisting on the collateral or a third party guarantee.

Taxes on corporates

1393. SHRIMATI S.G. INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to make reduction' in taxes on corporates in view of higher revenue collections;

(b) if so, the details thereof; and

(c) what was the total revenue collected during the years 2004-05 and 2005-06?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Government, as part of the annual budgetary exercise, reviews rates of tax applicable to all categories of taxpayers including corporates. The decision taken in this regard is reflected in the annual Finance Bill.

(c) The total revenue on amount of direct taxes collected during the years 2004-05 and 2005-06 is as under:—

Financial Year	(Rs. in crore)
2004-05	1,32,771
2005-06	1,65,208

Loan disbursal by banks in Bihar

†1394. SHRI SHATRUGHAN SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Public Sector Banks in Bihar are lagging behind to a great extent with regard to disbursing of loans despite the RBI's guidelines;

(b) whether it is also a fact that the slow pace of disbursing of loans by the banks is adversely affecting the industrial development and agriculture sector in State; and

(c) if so, the action Government are taking to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) As reported by the Reserve Bank of India (RBI), the details of aggregate deposits, advances and credit Deposit Ratio (CD Ratio) of Bihar for the last three years ending March 31st, 2004, 2005 & 2006 are as under:

†Original notice of the question was received in Hindi.